ACCOUNTS OF 1120

According to the revised estimates we expected that the year 1120 would close with a small surplus of Rs. 16 lakh, the receipts and disbursements anticipated having been Rs. 253·0 lakhs and Rs. 252·84 lakhs respectively. The actuals, however, gave us a surplus of Rs. 23·80 lakhs with a realised revenue of Rs. 266·57 lakhs and an expenditure amounting to Rs. 242·77 lakhs. We spent Rs. 8·54 lakhs on schemes of capital outly for expanding the lines of electricity, opening new lines of communication and for other schemes of public utility.

REVISED ESTIMATES OF 1121

When framing the budget estimates of the current year we counted on a revenue of Rs. 294·25 lakhs and an expenditure of Rs. 287·48 lakhs thus anticipating a surplus of Rs. 6·77 lakhs. On the basis of the actuals so far and other relevan information available we hope to realise a revenue of Rs. 324·54 lakhs—an improvement of Rs. 30·29 lakhs—and incur an expenditure of Rs, 323·50 lakhs—Rs. 36·02 lakhs in excess of the budget estimate—thus closing with a surpuls of Rs. 1·04 lakhs.

Receipts.—On the side of receipts the revenue from "Railway", "Income-tax" and "Forest and Tramway" surpasses by far our expectations while the other main items of revenue except Customs more or less keep up to the original estimates. General increase in traffic, arrears of 1944-45 earnings resulting from reversal of certain adjustments and receipts from Harbour authorities by way of capitalised compensation for loss of terminal charges consequent on the closing of the boat basin at Ernakulam have brought in all an enhanced revenue of Rs. 22·51 lakhs under "Railway". The receipts under "Forests" are expected to exceed the budget estimate of Rs. 28·89 lakhs by Rs. 5·47 lakhs mainly due to the exploitation of the Anamalai area now opened by road while it is hoped that "Income-tax" would bring an enhanced revenue of Rs. 45 lakhs against the budgetted estimate of Rs. 40 lakhs. Under 'Abkari and Ganja' we estimated a collection of Rs. 54·05 lakhs; we now place the revenue at Rs. 58·00 lakhs, the increase of Rs. 3·95 lakhs being the increased receipts under Duty on the sale of Foreign liquor and Licence fee for tapping of fermented toddy.

A new item of taxation introduced in the course of the year is a cess on copra which is expected to bring in a revenue of Rs. 1·20 lakhs.

Against these appreciable increases in revenue, a substantial fall of Rs. 9·30 lakhs is, however, expected under "Customs" and this is due to the large amount of refund of duty on motor spirits supplied to Defence Services.

Expenditure.—The expenditure of the current year according to the data now available is expected to stand at Rs. 323·50 lakhs against the budget estimate of Rs. 287·48 lakhs. Thus the increase in expenditure is anticipated to be Rs. 36·02 lakhs while the increase in revenue is fixed at Rs. 30·29 lakhs only.

As the House will admit, the cessation of war has not at all alleviated the hardships of Government servants; not only has there been no fall in the cost of living, but on the other hand the essentials of life have since become dearer and more scarce. The rates of dearness allowance were therefore slightly raised from 1st Edavam, the additional cost on this account working up to about Rs. 8·20 lakhs a year.

Orders on the revised Education Code were passed during the year and the basic pay of the primary teachers was raised from this year. The opening of a Thechnological Institute as a Post-war reconstruction measure has been effected. These and other measures are expected to increase the expenditure under "Education" by Rs. 2·91 lakhs.

Higher working expenses corresponding to larger earnings are expected to enhance the expenditure under "Railway" by Rs. 7·91 lakhs over the budget estimate of Rs. 27·23 lakhs.

The alarming shortage of food grains has necessitated further grant of all possible facilities to the ryot to ensure larger yields. This was done by increasing the rate of subsidy in the cost of manure purchased by cultivators as also by the free supply of manure and other concessions under the Grow More Food and Vegetable Campaign. All these measures mainly contribute to he increase of Rs. 2·28 lakhs over the budget estimate of Rs. 3·92 lakhs under "Agriculture".

Another head showing large increase in expenditure over the budget estimate is "Public Works". The Department records an increase of Rs. 3·98 lakhs over the budget estimate of Rs. 40·58 lakhs and this is mainly due to the construction of bunds in coastal areas.

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Our Forests have been exploited for war supplies and it has become highly necessary to undertake works of conservation and extensive plantation. A complete temporary re-organisation of this Department to cope with the post-war development scheme was therefore sanctioned in the course of the year. These measures of far-reaching importance in the economic development of the State resources have meant a further expenditure of Rs. 2·84 lakhs over the budget estimate of Rs. 19·73 lakhs.

The Public Health Department had to combat against a terrible out-break of small-pox this year and extensive measures had to be undertaken to arrest its alarming spread and reduce its havoc. Similarly malaria was gradually spreading its tentacles and more anti-malarial measures had to be undertaken in various parts of the State. Thus the budget estimate under Public Health had to be exceeded by Rs. 1·86 lakhs.

The other important variations have been explained in the memorandum and it might be seen that the increases are not the out come of any ineffective control over expenditure, but are the result of the several uncontrollable forces working in the post-war period. It is obvious from what I have explained that the increased expenditure has been incurred mainly.—

to ensure more food and reduce poverty and want,
to combat ill-health by timely preventive measures
to spread literacy by making primary education free in accordance with some of the post-war aims animating the endeavours of the Government.

Schemes of Capital Outlay

The supply of adequate and cheap electric power is a *sine-quo-non* for industrial progress and the Poringalkuthu electric scheme which has been on hand for decades together has now been taken up. A special expert has been appointed to execute the work and it is hoped that rapid progress will be made towards the satisfactory completion of the works.

The scheme of extending the power supplied by the Pallivasal Installation is making headway.

The Anamalai road with its great economic possibilities is making good progress and we expect to spend on its construction Rs. 21·99 lakhs by the end of this year.

A new road work costing not less than Rs. 12 lakhs has been taken up in the very heart of Ernakulam through her most unhealthy swamps and water logs and its completion is expected to improve the Town considerably.

The Fruit and Vegetable cultication in Nelliampathies has been placed in the hands of a Planting expert and the scheme is expected to ensure good returns besides helping our needs in the matter of vegetables, etc.

Based on the findings of the Manu Subedar Committee which examined the possibilities of industrial development in the State an Industrial Development Fund with a nucleus of Rs. 25 lakhs has been constituted this year. This is intended to encourage essential industries that may be started in the State.

Budget Estimates of 1122

I now turn to our programme for the coming year. The budget before you continues to be inflationary as an aftermath of the war and it forecasts for a revenue of Rs. 322·57 lakhs and programmes for an expenditure of Rs. 354·38 lakhs leaving us in a deficit of Rs. 31·81 lakhs. The imperative needs of the post-war situation have left us in a deficit budget and to cover up this deficit we propose to move this House with proposals for additional taxation.

Receipts.—As compared with the revised estimate of Rs. 324·54 lakhs the budget estimate (Rs. 322·57 lakhs) shows a fall of Rs. 1·97 lakhs. The excess Profits Tax has been abolished; the income from tolls disappears with the enactment of the Motor Vehicles Taxation Act and the duty on betel nuts, etc., has been reduced. The other items of Excise Revenue, however, continue to show the inflated income.

The budget for next year is thus mainly an estimate of falling revenues consequent on the cessation of war. It we omit the appropriation of Rs. 25 lakhs from the Revenue Reserve Fund the actual anticipated revenue would only be Rs. 297·57 lakhs thus showing a fall of nearly Rs. 27 lakhs from the revised estimate of the current year. The main items showing decreases are

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